



# Transaction Privilege Tax Changes and News

This publication is an informational notice included with the August 2007 Transaction Privilege Tax Return.

## PINAL COUNTY HEALTH SERVICES DISTRICT TAX

**Effective October 1, 2007:** The Pinal County Health Services District approved the levy of a Health Services District Tax. The tax is to be applied at 1.7858% of the Transaction Privilege Tax rate levied by the State of Arizona as stated in A.R.S. §48-5805. The new rate increases the total combined state/county rate for most business classifications by 0.10% to 6.7%. Exceptions include nonmetal mining and hotel/motel.

For more information, contact the Department's Taxpayer Information & Assistance Section at (602) 255-2060, from area codes 928 or 520, (800) 843-7196, or check our web site [www.azdor.gov](http://www.azdor.gov).

## TOWN OF PARKER

**Effective October 1, 2007:** On July 17th, 2007 the Mayor and Town Council of the Town of Parker passed ordinance number 05-2007. Ordinance 05-2007 increases the Parker Town Privilege Tax on **Restaurant and Bars** from **2% to 4%**. The tax on Restaurant and Bars shall be reported using **PK011**.

Ordinance 05-2007 also increases the Parker Town Privilege Tax on **Additional Tax on Transient Lodging** from 3% to 4%. The Additional Tax on Transient Lodging shall be reported using **Code PK004**. The total Town rate for transient lodging is **6%, 2%** which is reported using code **PK000** and **4%** which is reported using code **PK004**.

## CITY OF TOLLESON

**Effective October 1, 2007:** On July 10, 2007 the Mayor and City Council of the City of Tolleson passed ordinance number 458. Ordinance 458 increases the Tolleson City Privilege Tax from **2% to 2.5%**. The tax rate increase affects the following classifications:

Advertising; Amusements; Construction Contracting; Job printing; Manufactured buildings; Timbering and other extraction; Publishing; Hotels; Rental, leasing, and licensing for use of tangible personal property; Restaurants and Bars; Retail; Telecommunications; Transporting for hire and Utilities. The tax should be reported using **TN000**.

Ordinance 458 also adopts Local Option V which modifies Section 8A-460-Retail Sales, of the City Tax Code. Option V, imposes a two-tier tax on retail sales for single items that exceed \$5,000.

If a **single item** is sold at a cost that exceeds **\$5,000**, the first \$5,000 is taxed at **2.5%** using **TN000**; however the portion that exceeds \$5,000 shall be taxed at **2%** using **TN004**.

The increase imposed by this ordinance shall not apply to contracts entered into prior to the effective date of the ordinance. Pre-existing contracts should be reported using **TN009** at a rate of **2%**.

## TOWN OF STAR VALLEY

**Effective January 1<sup>st</sup>, 2008:** On June 5th, 2007 the Mayor and Town Council of the Town of Star Valley passed ordinance number O 07-09. Ordinance O 07-09 removes the exemption for residential rental and **establishes a rate of 2%**. The privilege tax for residential rental shall be reported using **SY013**.